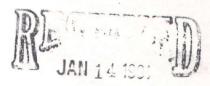


Norman H. Bangerter Governor Suzanne Dandoy, M.D., M.P.H. Executive Director Kenneth L. Alkema

M.P.H. 288 North 1460 West
Director P.O. Box 16690

Alkema Salt Lake City, Utah 84116-0690

Director (801) 538-6121



January 10, 1991



Mr. Ken Kluksdahl Tenneco Minerals P.O. Box 2650 St. George, Utah 84770

RE: Construction of Quail Canyon Dam

Dear Mr. Kluksdahl:

We have reviewed your letter of January 1, 1991 regarding the construction of Quail Canyon dam in the Beaver Dam Mountains at your heap leach site. This letter stated that it was your interpretation that authorization for construction of the dam was unnecessary from our agency. We agree with your conclusion that a ground water discharge permit and a construction permit are not required for the dam, as long as no portion of the dam serves as a base for pad extensions or for a part of the leach pad.

However, if the construction of this dam is only needed to allow construction of the new leach area, very serious risks are involved. There are very significant issues that must be resolved before feasibility is established for construction of the new leach area. We do not recommend or encourage construction of the dam under these circumstances and if it proceeds it would be entirely at your own risk.

If you have any questions regarding the above, please call Mack Croft or Lyle Stott at 538-6146.

Sincerely,

Don A. Ostler, P.E., Director Bureau of Water Pollution Control

MC:leg/mhf

cc: Wayne Thomas, Southwestern District Health Department

Division of Oil, Gas and Mining Department of Natural Resources

Q:QUAILCAN.TEN: